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[1](#)1. (SBU) Embassy Nicosia looks forward to welcoming you to Cyprus, an island whose political complexity and strategic value belie its small size. We have crafted an intensive program including calls on President Demetris Christofias and other high ranking Republic of Cyprus (RoC) officials, a meeting with Turkish Cypriot (T/C) leader Mehmet Ali Talat, and a visit to UN headquarters in the Buffer Zone (BZ) that divides this island. We hope your visit will underscore for you the difficulties inherent in any reunification effort, but also the contributions an undivided island could make to U.S. interests. The entire Embassy Nicosia team looks forward to your visit and will endeavor to make it both productive and enjoyable.

Short Stay, Meaty Schedule

[1](#)2. (SBU) Your visit commences at the Embassy, where we will provide you a Cyprus snapshot and discuss Mission goals. Next up is a call on RoC Foreign Minister Markos Kyprianou, son of late President Spyros Kyprianou. He is likely to raise his desire for more high-level, political discussions between our countries, something to which your visit and his recent meeting with the Secretary of State naturally contribute. After the Foreign Ministry, you will proceed to UN Force in Cyprus (UNFICYP) headquarters for a meeting with UNFICYP chief Taye-Brook Zerihoun, a long-time UN diplomat of Ethiopian descent.

[1](#)3. (SBU) A courtesy call on Turkish Cypriot leader Talat follows (President Christofias is unavailable later in the day.) The most pro-solution mainstream leader in the north, Talat, unlike hard-line T/C politicians such as the legendary Rauf Denktash, truly wants to reunify the island under a bi-zonal, bi-communal federation, the preferred governance model since UN-brokered settlement negotiations commenced in the late 1970s. He is feeling huge pressures from the right and the nationalists for not having delivered a deal, however, and his party is trailing badly in polls for the April 19 "parliamentary" elections.

[1](#)4. (SBU) Your program concludes with a visit to RoC President Christofias. While personally engaging and always courteous with visiting U.S. officials, the president's ideology is far-left. Christofias hails from the Communist AKEL party, Cyprus's largest, was educated in Russia, and is very fond of the former USSR. Since winning election in February 2008, he has begun a shift in Cyprus's foreign policy direction. Cyprus has returned to a more non-aligned foreign policy approach, entailing warming relations with

Tehran, Havana, Caracas, and Moscow. Regarding the Cyprus Problem, Christofias, like Talat, favors a reunified, federal Cyprus. The two men share a long history in leftist, opposition politics and by all accounts like each other, although the rigor of the negotiations and the need to defend respective sides' interests naturally are causing some friction between them.

The Cyprus Problem

15. (SBU) Taxi drivers, barbers, shop clerks -- to say nothing of politicians -- have strong opinions on the Cyprus Problem, the de facto division of the island since the violent conflict of 1974 (or 1963, in Turkish Cypriot reckoning.) All will share their thoughts at the drop of a hat, and I can think of no country where a single issue so dominates. For every compelling point made in one community, there exists a plausible counterpoint in the other. To illustrate, Greek Cypriots call Turkey's 1974 military intervention an invasion and continuing occupation of sovereign Republic of Cyprus (RoC) territory, while Turkish Cypriots classify it a peace operation undertaken to prevent their community's annihilation at the hands of the much more-numerous G/Cs.

16. (SBU) U.S. involvement to mitigate damage from the conflict and effect the island's eventual reunification began almost before the smoke cleared in August 1974. From feeding and housing refugees early on, our efforts morphed into infrastructure construction and later, fostering bi-communal cooperation. While the United Nations has directed most

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Cyprus Problem settlement efforts, all have featured some level of U.S. backing. The last, known colloquially as the Annan Plan after then-UN Secretary General Kofi Annan, culminated in April 2004 simultaneous referendums that saw two of three T/C voters cast "YES" ballots but three of four Greek Cypriots vote "NO." In his subsequent report to the Security Council -- which never became "official," owing to a rare Russian veto -- Annan urged the international community to end the economic, social, and cultural isolation of Turkish Cypriots, since they had cast their lot for reunification. U.S. policy since 2004 has been that, while we have not and do not recognize the breakaway "Turkish Republic of Northern Cyprus," we do maintain close contacts with leaders of the T/C community, attempt to engage them on matters of common concern, and are working to improve the north's economic performance in the hopes of reducing the cost and difficulty of a final Cyprus settlement.

17. (SBU) Every day that passes makes cracking this nut that much harder. And solve the Cyprus Problem we must: the continuing division incurs great costs, both real and political, for the United States. Our contributions to the 43 year-old UN peacekeeping mission run well in the millions. Cyprus Problem fallout exacerbates tensions between NATO allies Greece and Turkey, complicates Ankara's accession to the EU, and undercuts EU-NATO cooperation in hotspots like Afghanistan and the Balkans. Finally, the two sides' refusal to date to cooperate on law enforcement and security matters hinders our counter-terrorism and non-proliferation efforts in the Eastern Mediterranean. In short, it's not just the island's problem, and we have serious and significant reasons to want to see it solved.

Current Negotiations: (Baby) Steps in the Right Direction

18. (SBU) For two-plus years after the failed referendums in 2004, leaders in both communities alternated silent treatments with petty sniping, and hopes grew dim for restarting the talks. Prospects improved in July 2006 when a

visiting UN official secured a framework agreement between Talat and then-RoC President Tassos Papadopoulos, however. The deal reiterated the sides' commitment to a bi-zonal, bi-communal federation while committing them to enact confidence-building measures (CBMs) and initiate processes in which committees and working groups would form to tackle day-to-day life issues and final settlement matters. However, the so-called July 8 process was never to get off the ground.

¶9. (SBU) A settlement breakthrough occurred in February 2008. Surprising most political observers, Papadopoulos failed to advance to the second round of voting in his re-election attempt, a contest eventually won by AKEL Secretary General and House of Representatives President Christofias. Within weeks of taking office, Christofias made good on his promise to resuscitate the working groups/technical committees process and put former Foreign Minister George Iacovou in charge of the G/C negotiating team; Talat responded by nominating UC Berkley-educated Ozdil Nami. Once the negotiators and their experts began talks, they were able to prepare the ground for a series of meetings between Christofias and Talat, in which the leaders stipulated the overarching political goal: to forge a bizonal, bi-communal federal Cyprus featuring politically equal constituent states, a single international personality, sovereignty, and citizenship. At their fourth meeting in late July, they committed to starting full-fledged settlement negotiations under UN auspices in early September.

¶10. (SBU) The UN Secretary General responded to the leaders' call by naming former Australian Foreign Minister and long-time MP Alexander Downer his Special Adviser on Cyprus. Downer leads the UN's "Good Offices" mission, technically separate from UNFICYP since it belongs to the Department of Political Affairs (DPA), not to Peacekeeping Operations (DPO). Downer and Zerioun, the latter being dual-hatted as the Good Offices deputy, enjoy a productive relationship. Zerioun officiates at many meetings of the leaders and negotiators, since Downer's part-time UN contract means he usually is on-island only 10 days per month.

Modalities Different This Time

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¶11. (SBU) The 2004 Annan Plan and earlier settlement efforts featured high-profile UN mediators and similarly prominent special envoys from the countries most involved (the U.S. and Britain, mainly). Greek Cypriots pushed hard and won a change this go-round. Citing "asphyxiating timetables" and "unwanted intervention" from the international community as the reason G/Cs overwhelmingly voted no, Christofias, following predecessor Papadopoulos's lead, demanded that the current negotiations be "by the Cypriots, for the Cypriots." Talat accepted.

¶12. (SBU) Under this framework, Good Offices personnel, Downer included, "facilitate" the talks; they don't officiate, mediate, or arbitrate. The UN team does not even act as a secretariat, and the sides themselves spend significant time and effort determining what constitutes the official record. As expected under these loose procedures, full-fledged negotiations covering the six core issues -- governance, property, EU matters, economy, territory, and security/guarantees -- has proven slow. The leaders spent four months debating governance issues, for example, and remain at odds over fundamental matters: the assignment of competencies between the federal and constituent state governments, and the model of the federal executive. Gaps on property are significant as well. Finally, despite fanfare this summer over agreed CBMs, the sides have proven unable to put even one into operation (we expect Christofias and Talat to announce a breakthrough on two CBMs at their April 9

meeting, however.)

¶13. (SBU) There will be a short break in negotiations following your visit, to accommodate "parliamentary" elections in the north. Once talks re-start in late April/early May, Special Adviser Downer hopes to skim through the two as-yet untouched chapters, territory and security/guarantees, then move into "Phase II," a study of areas of medium convergence that require bridging solutions. He does not expect major format/framework changes until "Phase III," when Christofias and Talat hopefully will engage in real give-and-take in an attempt to reach a deal. Downer remains optimistic that the sides can reach a tentative agreement by the end of the year, with a fourth phase -- the leaders lobbying their respective communities to approve it via parallel referendums -- some time in early 2010.

A Final Word On Atmospheric

¶14. (SBU) Your stop in Cyprus falls just one week after the President visited Ankara and Istanbul and just three weeks after the Secretary of State paid a similar visit there. In an area where zero-sum thinking regrettably remains commonplace, Greek and Greek Cypriot pundits characterized the high-level Washington attention on Turkey as a defeat for Greece and Cyprus. The Secretary and Kyprianou conducted a bilateral meeting on the margins of the U.S.-EU summit in Prague, during which she invited him to Washington as soon as their schedules permitted. A Talat visit to DC also remains a possibility.
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